

**UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA**

IN RE: SPECTRUM PHARMACEUTICALS, INC.
DERIVATIVE SHAREHOLDER LITIGATION

Master File No. 2:13-cv-00624-
JAD-CWH

(Consolidated with: 2:13-cv-00684-JAD-CWH; and 2:13-cv-00942-JAD-CWH)

This Document Relates to ALL ACTIONS

Hon. Jennifer A. Dorsey

**JOINT STATUS REPORT IN RESPONSE TO
THE ORDER TO SHOW CAUSE DATED SEPTEMBER 2, 2016**

11 **WHEREAS**, by Order dated September 2, 2016 (D.E. 26), this Court ordered that “the parties
12 must show cause, in writing, no later than September 13, 2016, why this case should not be dismissed.

Failure to show cause will result in the dismissal of these consolidated cases without further notice.” (Emphasis in Order);

15 **WHEREAS**, beginning on April 11, 2013, three federal shareholder derivative complaints were
16 filed in this Court against the individual defendants and nominal defendant Spectrum Pharmaceuticals,
17 Inc.: *Fik v. Shrotriya, et al.*, No. 2:13-cv-00624-JAD-CWH; *Watkins v. Shrotriya, et al.*, No. 2:13-cv-
18 00684-JAD-CWH; and *Muenchhagen v. Shrotriya, et al.*, No. 2:13-cv-00942-JAD-CWH (collectively,
19 the “Derivative Actions”). The Derivative Actions generally allege breaches of fiduciary duty, unjust
20 enrichment, abuse of control, gross mismanagement, and waste of corporate assets relating to
21 allegations in the securities class action entitled *In re: Spectrum Pharmaceuticals, Inc., Securities*
22 *Litigation*, No. 2:13-cv-00433-LDG-CWH (the “Securities Class Action”), which was pending before
23 the Honorable Lloyd D. George and has now settled;

24 **WHEREAS**, on May 15, 2013, the Court entered an Order (the “May 15, 2013 Order”)
25 consolidating and staying the first two Derivative Actions pending resolution of the Securities Class
26 Action, but allowing the parties to lift the stay following a final ruling on defendants’ motion to dismiss
27 in the Securities Class Action. The Court also appointed the Derivative Plaintiff Timothy J. Fik as
28 Lead Plaintiff, Federman & Sherwood as Lead Counsel, Bailey Kennedy as Liaison Counsel, and re-

1 styled the consolidated action as *In Re: Spectrum Pharmaceuticals, Inc., Derivative Shareholder*
2 *Litigation*;

3 **WHEREAS**, on December 6, 2013, the Court ordered that the third filed action, styled
4 *Muenchhagen v. Shrotriya, et al.*, No. 2:13-cv-00942-JAD-CWH, should also be consolidated and
5 stayed pursuant to the May 15, 2013 Order;

6 **WHEREAS**, on August 10, 2015, the Parties participated in a formal mediation before Mr. Jed
7 D. Melnick, Esq. ("Mr. Melnick"), a respected and highly experienced mediator, to assist them in
8 exploring a potential negotiated resolution of the claims in the Derivative Actions. To facilitate a
9 productive mediation, the Parties exchanged a series of letters, information and briefs;

10 **WHEREAS**, on November 19, 2015, the parties to the Securities Class Action entered into a
11 stipulation of settlement, which the Court preliminarily approved on January 26, 2016. The Court
12 scheduled a hearing on final approval of the settlement in the Securities Class Action for June 13, 2016.
13 The Court approved the settlement on that day;

14 **WHEREAS**, subsequent to the August 2015 mediation, counsel for the Parties hereto have
15 completed substantial communications and arm's-length negotiations in an effort to reach a settlement
16 of the Derivative Actions, including parallel derivative actions pending in Nevada state court;

17 **WHEREAS**, the Parties have reached a settlement in principle and are negotiating the issue of
18 attorneys' fees and expenses and developing the necessary written agreements to present the proposed
19 settlement to the Court; and

20 **WHEREAS**, the Parties have met and conferred, and therefore:

21 **ACCORDINGLY**, the Parties respectfully submit that:

22 1. The Court should allow the Derivative Actions to remain stayed while the parties
23 finalize the settlement; and

24 2. The parties shall file a further joint status report on the progress of their efforts to
25 finalize the settlement by Tuesday, October 11, 2016.

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1 Dated: September 8th, 2016

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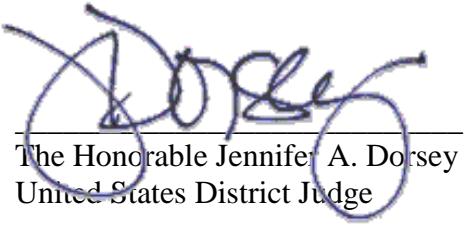
16 *Counsel for Defendants*

17 * * *

18 **ORDER**

19 IT IS SO ORDERED

20 DATED: 9/9/2016

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22 The Honorable Jennifer A. Dorsey
23 United States District Judge